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COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
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You ask whether embroidering of monograms and other patterns on articles such as bags, shirts, towels, hats, etc., which are brought to you by customers, is subject to the Massachusetts sales tax. You indicate that the value of the thread used to embroider a monogram or other pattern is less than ten percent of the total charge for the embroidering service.

Massachusetts General Laws Chapter 64H, § 2 imposes a tax upon sales at retail of tangible personal property in Massachusetts by any vendor except as otherwise provided. The term "sale at retail" does not include personal service transactions which involve no sale or which involve sales as inconsequential elements for which no separate charges are made. G.L. c. 64H, § 1(13)(c).

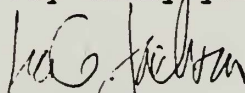
The Massachusetts Sales and Use Tax Regulation 830 CMR 64H.03(2)(a)(2) provides that a service transaction is not subject to the sales tax where the real object of the transactions is the service itself, and an inconsequential transfer of tangible personal property occurs, and the service enterprise does not separately state the purchase price of the property on the bill to the customer. The regulation also states that the term "inconsequential" generally means a value of less than ten percent of the total charge for labor plus materials.

When customers bring articles such as bags, shirts, towels, hats, etc. to you for embroidering, the real object of the transaction is the embroidering service itself. You indicate that the value of the thread is less than ten percent of the total charge for embroidering and therefore the price of the thread is inconsequential in relation to the total charge. Therefore, if you do not separately state the purchase price of the thread on the bill to the customer, the charge for embroidering is not subject to the Massachusetts sales tax.

In the situation described above the service enterprise is considered the consumer of the material used and such enterprise generally pays sales tax when it purchases the material from a vendor. 830 CMR 64H.03(2)(a)(2). Massachusetts General Laws Chapter 64H, Section 6(v) specifically exempts from the sales tax sales of wearing materials or any cloth made of natural or synthetic fibers and used for clothing purposes. The Department has determined that this exemption includes: zippers, buttons, hooks and eyes, thread and similar items used for clothing purposes. Sales of material, thread, buttons, zippers and other similar items used for upholstery, draperies or curtains and other non-clothing uses are not exempt from the sales tax under Section 6(v).

Therefore if the thread you purchase for embroidering is for use in clothing the sale is exempt from the sales tax. If the thread you purchase is for uses other than in clothing the sale is subject to the sales tax.

Very truly yours,



Commissioner of Revenue

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